

**East County Courts  
Executive Summary for the Schematic Design Package - April 2010**

**EXHIBIT A – REVISED PROJECT PLAN (FAC-1) OCT. 1, 2009**

# **EAST COUNTY COURTS DEVELOPMENT UPDATE**

**FAC-1 AMENDMENT  
SUBMISSION to the MULTNOMAH COUNTY  
BOARD of COMMISSIONERS  
OCTOBER 1, 2009**

Prepared jointly by Multnomah County Department of  
Facilities & Property Management and  
Shiels Obletz Johnsen, Inc.



# **EAST COUNTY COURTS**

## **FAC – 1 AMENDMENT**

Submission to Multnomah County Board of Commissioner - October 1, 2009

### **SUMMARY OF RECENT PROJECT HISTORY**

In February 2007, Multnomah County F&PM presented the FAC-1 Project Plan for the East County Justice Center Project (ECJC). The Project Plan established a building program consisting of 3 to 4 Courts, District Attorney, Multnomah County Sheriff's Office and City of Gresham Police. The plan was approved, and the architectural team of HDR and Emmons Architects was selected and contracted to undertake programming and conceptual cost estimating. Hoffman Construction was selected as the Construction Manager / General Contractor and engaged in pre-design assistance and cost estimating.

At the time of approval of the original Project Plan approved February 22, 2007, the ECJC had an anticipated cost of \$14,645,100 for hard construction, soft costs and Fixtures, Furnishings & Equipment (FF&E). Land costs were not included in this figure. When programming was complete, the project cost jointly estimated by the Contractor and the Cost Consultants was found to be substantially higher than the approved \$14,645,100 budget figure. In August 2008, the County solicited proposals to engage an independent project management consultant for the project with experience in multi-disciplined, multi-jurisdictional and cost control management.

In September 2008, Shiels Oblatz Johnsen, Inc. was retained by the County to provide specialized project management services. As Multnomah County's Representative for the project, some of these responsibilities include:

- Developing a project action plan
- Seeking, obtaining and implementing County decisions
- Leading the architect, contractor and others in executing the project plan
- Negotiating and managing contracts for consultants on the County's behalf
- Managing a single-source channel for communications
- Overseeing team performance
- Managing the budget

SOJ worked with the County, HDR and Emmons Architects to continue pre-design of the East County Justice Center Project. This work first focused on analysis of development options for the site at 185<sup>th</sup> & Stark, related entitlement procedures and consideration of other sites.

In late 2008, several events began to transpire that generated material shifts in the scope of the project. The Multnomah County Sheriff's Office began to consider remaining in the existing Hansen Building. The City of Gresham was concerned about the costs

associated with re-location to the new ECJC, specifically without the presence of the Multnomah County Sheriff's Office. With potential movement toward a downsized program, an alternative building site was identified and a site analysis was initiated for property at N.E. 8th Avenue in downtown Gresham owned by the County.

While discussions between Multnomah County and the City of Gresham continued on the Rockwood purchase, the project remained dormant through the first half of 2009. In mid-2009, based on the economic climate, the City of Gresham notified it was not moving forward with the purchase of the Rockwood property. This effectively eliminated a practical option to further consider the 8<sup>th</sup> Avenue site.

The County then requested SOJ, Inc. to re-address the status of the project and to begin looking at options to develop a project of reduced scope at the original Rockwood site.

As the re-consideration of a reduced scope facility on the Rockwood site evolved, it was evident that many of the more significant challenges of the site were diminished. Parking needs and compliance with the Floor to Area Ratio (FAR) requirements were more manageable. The elimination of the Law Enforcement components of the program reduced or eliminated the more complex construction issues such as holding cells, sally port and law enforcement parking. The reduced program resulting in more flexibility in locating the building on the site, so a more prominent and appropriate position at Stark Street could be considered.



## PURPOSE OF THIS FAC-1 AMENDMENT REQUEST

The Project Plan approved February 2007 evolved from a building program consisting of 3 to 4 Courts, District Attorney, Multnomah County Sheriff's Office and City of Gresham Police to a reduced program consisting of three (3) courts and District Attorney offices. In terms of basic programming, this changes the project from an original 70,000 square foot facility to approximately 40,000 square feet.

This change relates directly to the FAC-1 Policy, which clarifies in Section IV – D – b of the Policy that should a project be revised in excess of 20% +/- in scope or square footage, it is deemed a “Significant Change” and requires approval of an amendment to the FAC-1.

The information provided in this FAC – 1 Amendment is intended to satisfactorily illustrate only the revisions from the original FAC-1 approval dated Feb. 22, 2007. That document is available separately for reference.

The following is an **excerpt** of the FAC-1 Policy requirements that pertains to the “Project Plan”. Of the elements of the Project Plan below, only the elements shown in bold lettering are materially changed for this FAC – 1 Amendment.

### C. PROJECT PLAN

1. Project Charter (previously approved, no changes required)
2. **Development Plan** (changes included herein)
  - Define Project Scope**
  - Outline of Project Team**
  - Comprehensive Schedule**
  - Estimates**
3. Siting Plan (previously approved, no changes required)
4. **Operational Funding** (changes included herein)
5. **Capital Funding** (changes included herein)

**FAC – 1 AMENDMENT:  
PART C – 2: DEVELOPMENT PLAN**

**DEFINE PROJECT SCOPE**

The Feb. 22, 2007 Project Scope was:

Building Program (in square feet):

Courtrooms, Court Support, District Attorney	36,000
Multnomah Co. Sheriff	20,000
Gresham Police	12,000
County Information Technology	<u>2,000</u>
TOTAL	70,000

The October 1, 2009 Project Scope is:

Building Program (in square feet):

Courtrooms	15,000
Court Support	6,000
District Attorney	5,200
Building Support Common Area	3,800
Building Efficiency Factor	7,500
<del>Multnomah Co. Sheriff</del>	0
<del>Gresham Police</del>	0
<del>County Information Technology</del>	<u>0</u>
TOTAL	37,500

## **OUTLINE OF PROJECT TEAM**

The Feb. 22, 2007 Project Team was:

- Multnomah County Board of Commissioners
- Facilities & Property Management
- Architect to be determined (HDR Architecture, Emmons Architects later selected)
- Construction Contractor to be selected (Hoffman Construction later selected)

The October 1, 2009 Project Team is:

- Multnomah County Board of Commissioners
- Facilities & Property Management
  - Budget Office
  - County Counsel
  - Contracting
  - Risk Management
  - Public Affairs Office
- Project Oversight Committee
- Shiels Oblatz Johnsen, Inc.
- Architect to be determined
- Pre-Construction Consultant (Contractor) to be determined
- Construction Contractor to be determined

The Project Oversight Committee consists of representatives from the Commissioners' offices, District Attorney, Multnomah County Circuit Court and Facilities. They will meet periodically to monitor the project as well as receive meeting minutes from the Project Team meetings.

Project Management is to be provided primarily by Shiels Oblatz Johnsen, Inc., with direct communication and interface with County Facilities & Property Management. SOJ will be the primary contact for all other major team members, and will report directly to Chair Wheeler, the Board of Commissioners and Project Oversight Committee as necessary. SOJ will coordinate with Facilities & Property Management, Risk Management, Contracting, Budget and County Counsel Departments to ensure integration of all County standards and administrative procedures into the Project. An organizational and communications chart follows:

## EAST COUNTY COURTS ORG CHART



October 1, 2009



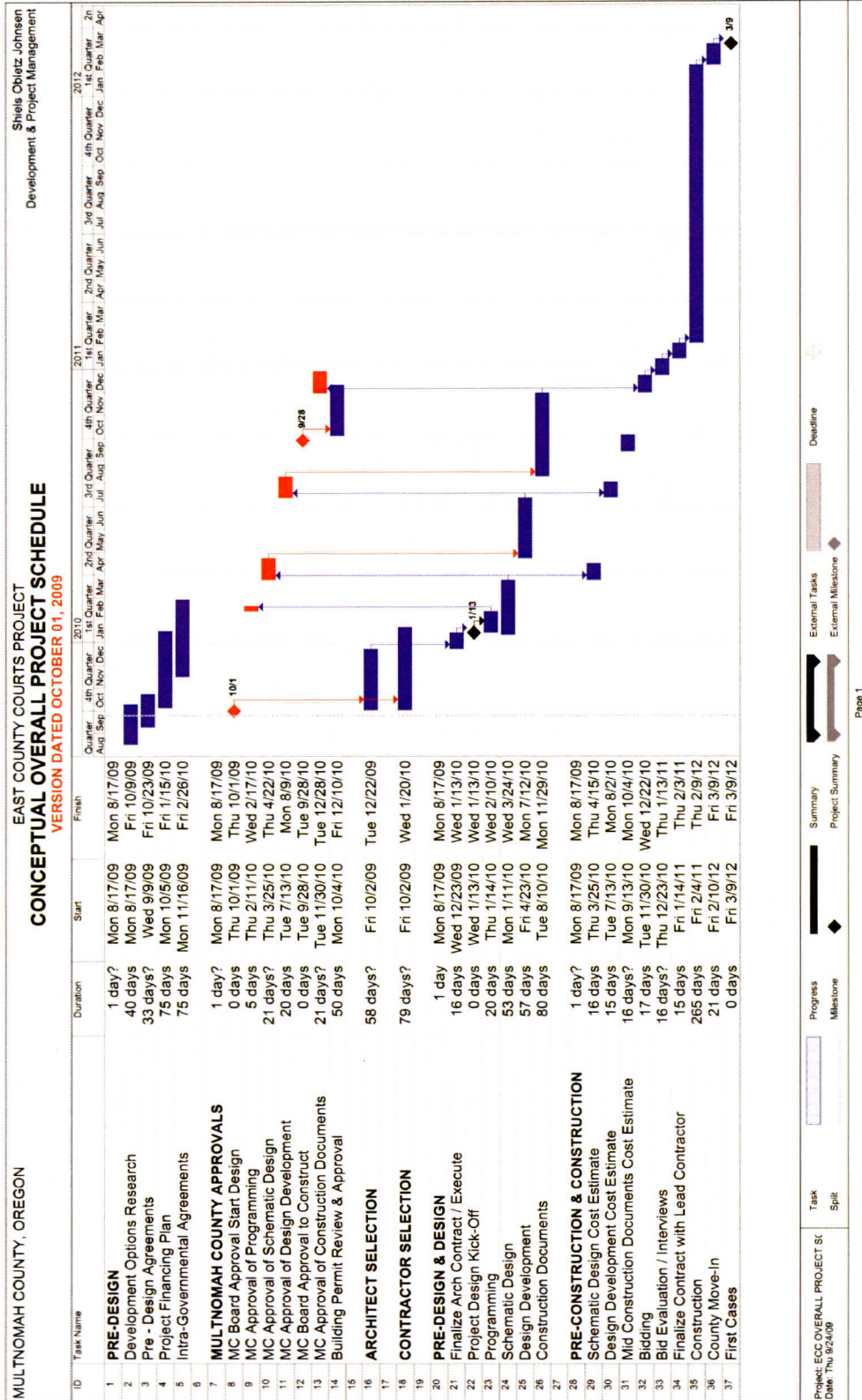
## COMPREHENSIVE SCHEDULE\*

A preliminary list of major milestones and approximate dates follows. Key Multnomah County decision and approval points are in **Bold**:

DATE	MILESTONE	COUNTY APPROVAL
<b>October 1, 2009</b>	<b>Request Approval of Revised FAC 1 Project Plan</b>	<b>Yes</b>
October – December 2009	Procurement of Architecture Team	
October '09-January 2010	Procurement of the Pre-Construction Contractor	
January -February 2010	Facility Programming	
<b>February 2010</b>	<b>Multnomah County Review &amp; Approval of Programming Phase</b>	<b>Yes</b>
January-March 2010	Schematic Design	
April 2010	Schematic Design Cost Estimate	
<b>April 2010</b>	<b>Review and Approval of Schematic Design</b>	<b>Yes</b>
April – July 2010	Design Development	
July – August 2010	Design Development Cost Estimates	
<b>August 2010</b>	<b>Review and Approval of Design Development Phase</b>	<b>Yes</b>
August – November 2010	Construction Documents	
November 2010	Construction Documents Cost Estimate	
<b>November 2010</b>	<b>Approval of Construction Documents</b>	<b>Yes</b>
<b>December 2010</b>	<b>Request Board Approval for Construction of East County Court</b>	<b>Yes</b>
December 2010- January 2011	Final Cost Estimate, Bidding, Contractor Negotiations	
February 2011-February 2012	Construction	
March 2012	Move In	

A Conceptual Overall Project (Bar-Chart) Schedule follows:

\*Schedule information is conceptual, and based on similar project types.



## **COST ESTIMATES**

<b>MULTNOMAH COUNTY - EAST COUNTY COURTS</b>
<b>CONCEPTUAL DEVELOPMENT COST ESTIMATE</b>

Project Component	Cost/SF *	3 Courtrooms, including 1 for Flexible Community Use	
		Area	Cost
Courtrooms	\$318	15,000	\$ 4,770,000
Phase 2 Courtroom Shell	\$186	0	0
Flexible Community Space	\$249	0	0
Court Support Space	\$265	6,000	1,590,000
District Attorney	\$255	5,200	1,326,000
Building Support/Common Area	\$286	3,800	1,086,800
Building Efficiency Factor	\$212	7,500	1,590,000
<b>Subtotal Building Costs</b>		37,500	\$ 10,362,800
Site Development			2,000,000
FF&E Allowance			900,000
Soft Costs	25%		3,315,700
Contingencies	25%		4,144,625
<b>TOTAL PROJECT COST</b>			<b>\$ 20,723,125</b>

Source: Architectural Cost Consultants, Sept. 15, 2009

\* Adjusted to June 2011 dollars

<b>CONCEPTUAL OCCUPANCY COST ESTIMATE (YEAR 1)</b>
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Occupancy Costs	Factor	3 Courtrooms, including 1 for Flexible Community Use	
<b>TOTAL PROJECT COST</b>			<b>\$ 20,723,125</b>
(-) ECC Reserve Fund			(4,800,000)
<b>BOND AMOUNT</b>			<b>\$ 15,923,125</b>
Interest Rate	5.50%		
Term	20		
<b>ANNUAL DEBT SERVICE</b>			<b>\$ 1,332,436</b>
(+) Operating & Maintenance Expenses	\$ 8.00		285,000
(+) Asset Preservation Fee	\$ 2.75		98,111
<b>TOTAL ANNUAL OCCUPANCY COST</b>			<b>\$ 1,715,548</b>
(-) Taco Bell Lease Income			(83,000)
(-) Existing Courthouse Lease & Expenses			(70,000)
(-) D.A. Lease Pmts. (from 8th & Kelly)			(30,500)
<b>NET ANNUAL OCCUPANCY COST</b>			<b>\$ 1,532,048</b>
<b>NET OCCUPANCY COST/SF/NLA</b>			<b>\$ 43.00</b>



## **OPERATIONAL FUNDING**

The operational funding of Multnomah County Circuit Court personnel is budgeted through the State of Oregon's judicial system. Additional staffing by the Multnomah County Sheriff's office and District Attorney will be managed through the annual budgeting process.

## **CAPITAL FUNDING**



**Department of County Management**  
**MULTNOMAH COUNTY OREGON**

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Finance & Risk Management Division  
501 SE Hawthorne, Suite 531  
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(503) 988-3292 fax

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TO: Peggidy Yates, Economic Development Advisor  
FROM: Mark Campbell, Sr. Revenue & Financial Analyst  
DATE: September 18, 2009  
SUBJECT: Preliminary Debt Capacity Calculation

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This memo offers an overview of the County's outstanding debt obligations that are anticipated as of July 1, 2010. It also provides an analysis of the County's estimated debt capacity based on the Financial Policies adopted with the FY 2010 budget.

**FULL FAITH AND CREDIT BONDS AND DEBT OBLIGATIONS – SUMMARY**

The FY 2010 Approved Budget includes bond proceeds from the sale of Full Faith & Credit Obligations. All projects to be supported by these funds are new projects reflected in program offers purchased by the County Chair.

Debt payments for existing obligations are budgeted according to established schedules. It is worth noting that the FY 2009 budget used approximately \$24 million of one-time-only (OTO) General Fund revenue to "buydown" current and future debt payments. It supports **\$4.1 million of annual debt payments** that would otherwise need to be charged to departments.

There are two statutory limits on County borrowing as well as the internal County policy on outstanding debt limits. The more restrictive, the County's internal policy, would **provide for additional long term borrowing of up to approximately \$110 million in FY 2011**. Planned borrowing in the FY 2010 budget could use up to \$24.6 million of that estimated capacity.

The FY 2010 budget authorized up to \$24.6 million in short-term (7 years) borrowing for the following projects:

- \$12 million for Capital Improvement Program projects related to deferred maintenance and energy efficiency improvements;
- \$ 6 million for Information Technology infrastructure upgrades;
- \$ 5 million for implementation of a new Assessment & Taxation system; and
- \$ 1.6 million for the second phase of a Library materials movement system.

At this time, bonds have not been issued for these projects. The Board will hold a worksession in October to discuss which projects should be financed and determine the overall size of the debt offering.

### **OUTSTANDING DEBT AND DEBT CAPACITY**

There are two statutory limits on County borrowing and a County policy on outstanding debt limits. The most restrictive, the County policy, would allow for estimated additional borrowing of approximately \$110 million in FY 2011. If all the debt authorized in the FY 2010 budget is issued there would be approximately \$85 million available under this policy.

ORS 287.054 provides a debt limit on voter approved general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries. The following table represents the estimated debt capacity at June 30, 2010.

Real Market Value 2008 - 2009	\$107,381,958,130
Debt limit at 2%	2,147,639,163
Est. Outstanding Debt (6/30/2010)	(49,710,000)
Legal Debt Margin	\$2,097,929,163

ORS 287.053 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's boundaries. The following table represents the estimated debt capacity at June 30, 2010.

Real Market Value 2008 - 2009	\$107,381,958,130
Debt limit at 1%	1,073,819,581
Est. Outstanding Debt (6/30/2010)	(210,238,000)
Legal Debt Margin	\$863,589,581

In addition to statutory debt limits, the County's internal *Financial Policies*, adopted by the Board, further limit our debt on non-voter approved debt to annual payments that will not exceed 5% of General Fund budgeted revenues. As of June 30, 2010, the County will have an estimated \$56,504,000 in outstanding debt subject to the limit established by policy. The County could authorize up to a total of approximately \$167 million of General Fund supported debt - assuming a 20 year payback at 5.25% annual interest - which would allow us to issue additional debt of approximately \$110 million after considering existing outstanding debt.

The real issue when considering the issuance of debt has to do with ability to pay. The General Fund is heavily reliant on two revenue sources – Property Tax and Business Income Tax. One source, Property Tax, is limited by state constitution. The other is highly volatile and tends to follow changes in the economy. Given the mix of revenues in the General Fund the issuance of additional debt should be viewed in terms of how it may limit the ability of the County to support ongoing programs and operations.

It should be noted that the estimates prepared for this analysis use FY 2009 assessed values and FY 2010 budgeted General Fund revenues. That data, along with information related to the debt issue authorized in the FY 2010 budget, will be updated over the next few months and will be incorporated into a revised memo which will be presented to the Board next spring.



The following table highlights the County's estimated outstanding debt and debt limit, per the Financial & Budget Policies, as of June 30, 2010 (\$'s are in \$1,000s).

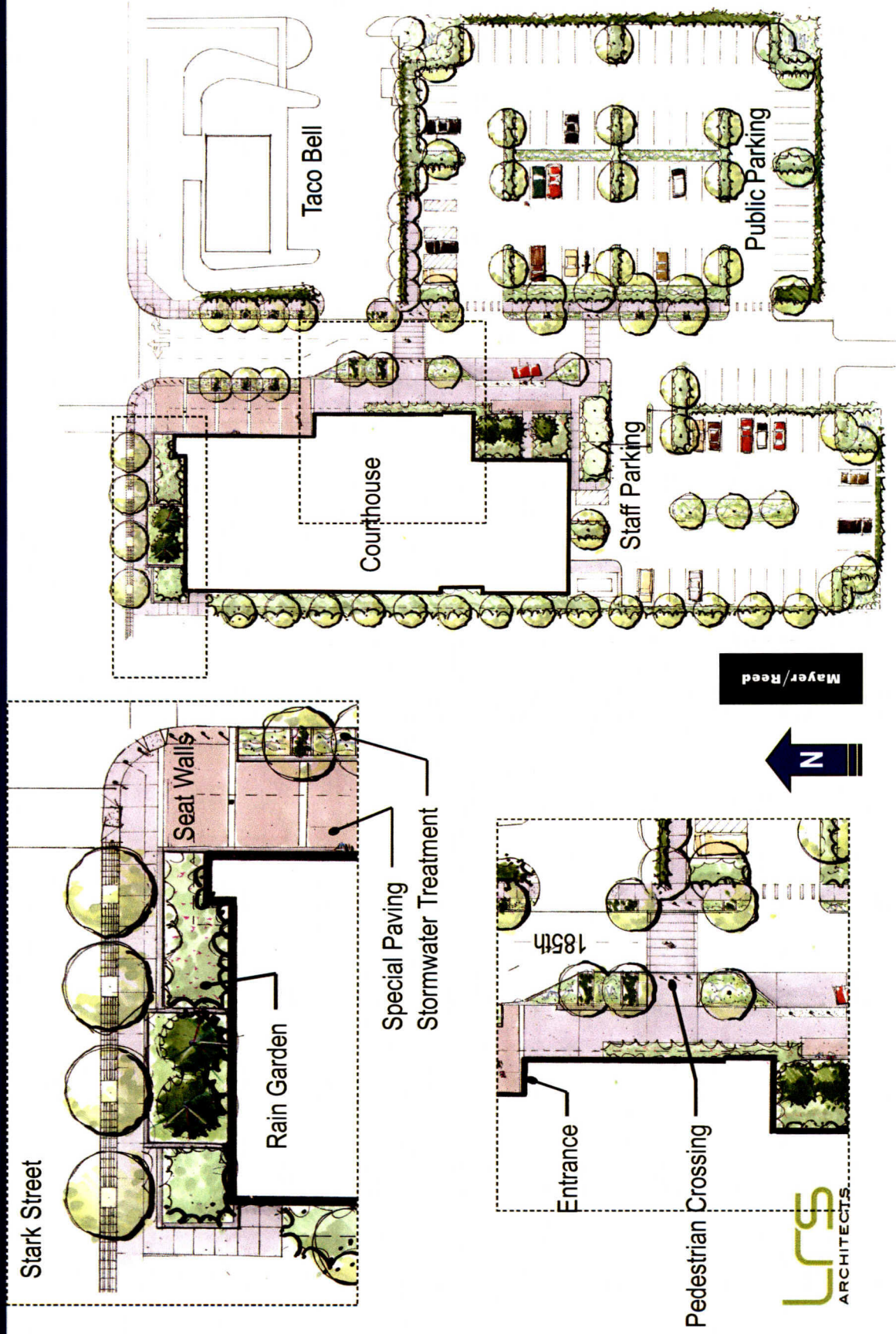
Description	Moody's Rating	Dated	Maturity Date	Amount Issued	Principal Outstanding	2010-11 Prin & Int Payment
General Obligation Bonds	Aa1	2/1/1999	10/1/2016	\$ 66,115	\$ 49,710	\$ 9,253
<b>Revenue Bonds</b>						
Port City (Revenue Bond/2000A)	Aaa	11/1/2000	11/1/2015	\$ 2,000	\$ 1,030	\$ 198
Oregon Food Bank (Revenue Bond/2000B)	Aaa	11/1/2000	11/1/2015	3,500	1,815	350
				\$ 5,500	\$ 2,845	\$ 548
Pension Obligation Revenue Bonds	Aa2	12/1/1999	6/1/2030	\$ 184,548	\$ 151,373	\$ 15,202
<b>Full Faith and Credit Obligations</b>						
Series 2003 Full Faith & Credit	Aa2	7/1/2000	7/1/2013	\$ 9,615	\$ 4,175	\$ 1,103
Series 2004 Full Faith & Credit	Aa2	10/1/2004	8/1/2019	54,235	53,670	7,878
				\$ 63,850	\$ 57,845	\$ 8,981
<b>Capital Leases</b>						
Sellwood Lofts Capital Lease	N/A	1/1/2002	1/1/2032	\$ 1,093	\$ 1,020	\$ 118
<b>Total FFFCO and Capital Leases</b>					\$ 58,865	\$ 9,099
Less Non General Fund Supported Debt						
Road Fund (Series 2000A/Series 2004 FFCO)					(1,341)	(288)
Library Fund (Sellwood Lofts)					(1,020)	(118)
<b>Total General Fund Obligations</b>					\$ 56,504	\$ 8,693
(Less) Annual Payment From Prior Year's Debt Buydown						(5,170)
<b>Net General Fund Obligation</b>						\$ 3,523
<b>REMAINING BORROWING CAPACITY</b>						
<b>Debt Capacity (Supported by General Government Fund Types Only)</b>						
2009-2010 General Fund Revenues (Excluding ITAX and BWC)						\$ 356,000
Policy Limitation (5% of GF Revenues)					x	5.00%
5% Policy Limit Dollar Amount						\$ 17,800
Lease/Debt Capacity Used (Total General Fund Obligations)						(8,693)
Annual Payment Available					\$ 9,107	
<b>Estimated Principal Value Available</b>						<b>\$ 110,000</b>

**East County Courts  
Executive Summary for the Schematic Design Package - April 2010**

**EXHIBIT B – DIAGRAMS, DRAWINGS & RENDERINGS**

# Site Plan

## East County Courts





# Three Courtroom Scheme

## East County Courts

